

DCI-CT-79-0781 79-1678/2
30 August 1979

MEMORANDUM FOR: Director of Central Intelligence
THROUGH: Deputy to the DCI for Collection Tasking *Pen*
FROM:
Acting Director, PHOTINT Tasking Office
SUBJECT: Report on "Private Sector Involvement in
Civil Space Remote Sensing"

4 SEP 1979

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1. Action Required: None. This memorandum forwards comments on the subject report for your information. The subject report and a parallel ongoing study on integrated remote sensing systems will be reviewed together by the PRC (Space) before making any recommendations on a national remote sensing system. The latter study is of far more importance to you and, when available, will have specific recommendations.

2. Background: The attached report was prepared by an Inter-Agency Task Force in response to the stipulation in PD/NSC-42 of 1 October 1978 that "a plan of action will be prepared...on how to encourage private investment and direct participation in the establishment and operations of civil remote sensing systems". NSA and the Department of Commerce, as joint chairmen, have canvassed representatives of private corporations on this matter and have analyzed the resultant findings for submission to the Policy Review Committee (Space). The NSC has forwarded you a copy of the report, since it is intended to be reviewed in conjunction with the study on integrated remote sensing systems prior to "making any recommendations on a national remote sensing system".

3. Since the basic objective of the report is to encourage private sector participation in civil remote sensing systems, the DCI equities are obviously only peripheral. The highlights of the report's findings are effectively presented in the two-page summary. If time permits, recommend your reading the introduction (Pages 1-5), the policy issues (Pages 12-15), and the philosophy of the recommended plan on Page 28, and the Recommendations for Early Action on Pages 31-32.

4. The report focuses on earth resources systems of the LANDSAT type because the only currently significant additional sales market (\$14.8 million in FY 1978) is for the derived data products from such systems. It is worthy of note that representatives of the private

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sector and the participating government agencies agree that "it is too early to select specific options for conversion of the space and ground segments of the LANDSAT system to private ownership". It was also "agreed that the cost, complexity, and security implications of integrated systems need not be an absolute bar to their private operation but could discourage it".

5. Another noteworthy recommendation is that some single government organization be assigned the interface responsibility for further private sector contacts and for development and implementation of the concept of increased private sector participation. The three candidates for this responsibility are NASA, NOAA, or the Department of the Interior, with the report recommending continuation of the NASA responsibility for R&D activities in civil remote sensing from space.

6. There are several peripheral points that stem from the report that you should be aware of. There would probably be some Intelligence Community applications for an earth resources remote sensing system operated from space by the civil sector. The report mentions--but in our view unduly underrates--the proportion of civil sector requirements that would be satisfied by once-over coverage. The report makes reference to the point that in an integrated system the military/intelligence component of encrypted data would be accessible only to classified US stations. The report indicates that the issue of invasion of privacy by remote sensing systems from space may be left to disposition by the courts. While this position may be acceptable as the initial tactic, it seems only good sense that the Federal Government should be prepared to go immediately to Congress with recommendations for remedial legislation in the event that the courts should rule this traditional means of acquiring earth data from overhead imaging platforms constitutes an infringement of privacy.

7. Coordination: These comments have been coordinated with the pertinent elements of RMS, NFAC, and the DoD reconnaissance office.



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Attachment:
As stated

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"Report on 'Private Sector Involvement in Civil Space Remote Sensing'"

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